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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on <u>18 November 2008</u>.

2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) <u>1,6,7,15,18,22-25,28,31 and 32</u> is/are pending in the application.

   4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) <u>1,6,7,15,18,22-25,28,31 and 32</u> is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

   Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a) ☐ All b) ☐ Some * c) ☐ None of:

   1. ☐ Certified copies of the priority documents have been received.

   2. ☐ Certified copies of the priority documents have been received in Application No. _____.

   3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____ .

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1.   A request for continued examination under 37 CFR 1.114, including the fee set

forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this

application is eligible for continued examination under 37 CFR 1.114, and the fee set

forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action

has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on

11/18/2008 has been entered.

Response to Amendment

2.   Claims 1, 15, 22, 25, and 28 have been amended. Claims 2-5, 8-14, 16-17, 19-

21, 26-27, and 29-30 have been canceled. Claims 1, 6-7, 15, 18, 22-25, 28, and 31-32

are pending in the application and are provided to be examined upon their merits.

Response to Arguments

3.   Applicant's arguments with respect to claims 1, 6-7, 15, 18, 22-25, 28, and 31-32

have been considered but are moot in view of the new ground(s) of rejection.

Nevertheless, the Examiner provides a response below in **bold** where appropriate.

35 U.S.C. §112 rejections, page 9 of remarks:
        In the Office Action, claim 31 was rejected under 35 U.S.C. § 112, first paragraph
        as failing to comply with the written description requirement. The fundamental
        factual inquiry with regard to compliance with 35 U.S.C. § 112, first paragraph, is
        whether the specification conveys with reasonable clarity to those skilled in the
        art that, as of the filing date, that applicant was in possession of the claimed

invention. See MPEP 2163.02. An applicant may show possession of the claimed invention by describing the invention using such descriptive means as words, structures, figures, diagrams, and formulas that fully set forth the claimed invention. Id.

Claim 31 recites a "transaction execution module" that forms a part of the system for facilitating trade entry and portfolio management recited in claim 28. Applicant's disclosure indicates that once "the portfolio manager determines the buying power for the portfolio with respect to the proposed transaction, the transaction may be executed through the trade entry system if that is desired." See Applicant's Specification at page 13, lines 10-12 (emphasis added). The subject matter of a claim need not be described literally, that is, using the same exact terms for the disclosure to satisfy the description requirement. See MPEP 2163.02.

Applicant respectfully submits that the language quoted above from Applicant's disclosure is sufficient to reasonably convey to one skill in the relevant art that Applicant was in possession of the invention claimed in claim 31. Consequently, withdrawal of the rejection is respectfully requested.

The problem the Examiner has is it is unclear what the transaction execution module is actually doing (how is a transaction executed). The term module indicates software. The functional software should perform a series of steps. The Examiner respectfully maintains the rejection until Applicant provides the steps that the transaction execution module performs. Specifically, transactions involve two parties where money or other value is given for a product or service. Transactions related to equities or bonds normally occur on some type of exchange (e.g. NYSE). It is unclear how Applicant's invention is executing a transaction with another party.

35 U.S.C. §103 rejection, using Cwenar, Sands, and Official Notice starting page 10 of remarks:

In the Office Action, claims 1, 15, 18, 22, 25, and 32 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,893,079 to Cwenar in view of U.S. Patent Application Publication No. 2002/0082979 to Sands and further in view of Official Notice.

Independent claim 1:

Independent claim 1 recites a method of determining the buying power of an investment portfolio for a given security. The method includes providing a set of compliance rules and calculating a transaction limit for a proposed transaction involving the security for each compliance rule. The method also includes sorting the set of compliance rules from most restrictive to least restrictive and displaying the sorted set of compliance rules along with the calculated transaction limit for

each rule, as well as displaying a rule description box that defines how the transaction limit was calculated.

Applicant argues Cwenar:

Cwenar recites a computerized data processing system having an external data interface for communicating with nonuser outside sources of investment data to process and deliver the data to a server for storage in a central database. The data delivered to the central database is in the form of data storage tables containing investment data. A data storage table may contain information with respect to an individual security, such as a description of the security, coupon, yield, price, CUSIP number, and issuer of the security. The system also provides a compliance means which serves to compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards. The system can then provide instructions regarding stopping, delaying, or proceeding with the proposed trade with appropriate records being kept.

Cwenar fails to disclose or suggest displaying a rule description box that defines how a transaction limit was calculated. The system disclosed in Cwenar allows a user to input rules through an external interface. See col. 11, lines 44-45. The rules may be stored on a local computer or in a central database. See col. 11, lines 46-51. The rules can be based on legal requirements, see col. 12, lines 6-7, or can be discretionary and customized to the preference of a user. See col. 12, lines 40-42. When a transaction is found to violate the rules the trade is stopped, and an audit trail report is prepared. See col. 12, line 27-29. If the transaction is found to be consistent with the rules, the trade proceeds and a user receives a compliance approval report. See col. 12, lines 41-47. Cwenar simply does not disclose the step of displaying a rule description box that defines how a transaction limit was calculated. The system of Cwenar may terminate a transaction that is found to violate the rules and generate an audit report indicating that the rules were violated. However, the system described in Cwenar does not provide a portfolio manager with the description of how the rule was calculated, which would allow the portfolio manager to quickly identify alternative opportunities and decide what actions should be taken during the trading process. For at least these reasons, claim 1 and all claims depending from claim 1 are patentable over Cwenar.

Applicant argues that Cwenar fails to display a rule description box that defines how a transaction limit for a given compliance rule is determined.

The Examiner finds that Cwenar teaches audit trails:

"It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a <u>proposed transaction will not violate predetermined rules.</u>" (col. 2, lines 66-67 and col. 3, lines 1-2)

"**By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from <u>owning more than a certain percentage of a certain category of investment</u>. These legal requirements may be considered a first group of rules.**" (col. 12, lines 3-7)

"**If a <u>violation of the legal rules is found</u> to exist, the next action is to <u>prepare an audit trail report</u> or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery.**" (col. 12, lines 28-34)

Audit trails are a "step-by-step record by which accounting data can be traced to their source." (Friedman, Jack, "Dictionary of Business Terms, 2000, Barron's Educational Series, Third Ed., pg. 42).

Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

Applicant argues Sands:

Sands fails to overcome the deficiencies of Cwenar. Sands discloses a system for pre- trade compliance checking in a mutual funds portfolio management process. The system allows a trader to determine what actions are available with regard to compliance before any trades are entered into a portfolio management system. See page 2, paragraph [0038]. Specifically, the system is designed to ensure that trades are in compliance with Rule 2a-7 of the Investment Company Act of 1940. See Id.; page 1 paragraph [0005]. The system of Sands may include a detail window that displays the details of the rules applied to each trade, along with the limits associated with each rule. See page 12, paragraph [0313]. Sands fails to disclose or suggest displaying a rule description box that defines how a transaction limit was calculated. The system disclosed in Sands is designed to work "behind the scenes" to deliver information to a presentation layer that displays the information to a user. See page 13, paragraph [0323]. In other words, the system fails to provide the additional information of how the limits were calculated. Consequently, claim 1 is patentable over Cwenar and Sands, either individually or in combination.

With all due respect, Cwenar above teaches audit trails that provides for disclosure of how figures are calculated.

<u>Independent claims 15, 22, and 25:</u>

Independent claims 15, 22, and 25 each recite means for or the step of displaying a rule description defining how a transaction limit was calculated.

Thus, for at least the reasons given above with regard to claim 1, claims 15, 22, and 25 are patentable over Cwenar and Sands, either individually or in combination. Claim 32 depends from independent claim 1; claim 18 depends from independent claim 15; at least by virtue of their dependencies, claims 18 and 32 are also patentable over Cwenar and Sands.

The audit trails of Cwenar are applicable to the above claims.

35 U.S.C. §103 rejection, using Cwenar, Sands, and Pollock starting page 12 of remarks:

In the Office Action, claims 6, 7, 23, and 24 were rejected as being unpatentable over Cwenar in view of Sands, and further in view ofU.S. Patent Application Publication No. 2004/0220872 to Pollock. As outlined above, Cwenar and Sands, either individually or in combination, fail to disclose or suggest each element recited in independent claim 1. Claims 6 and 7 depend from independent claim 1 and so are patentable over Cwenar and Sands for at least the reasons given above in regard to claim 1. Claims 23 and 24 depend from independent claim 22 and are patentable over Cwenar and Sands for at least the reasons given above regarding claim 22.

The audit trails of Cwenar are applicable to the above claims.

Applicant argues Pollack:

Pollock fails to overcome the deficiencies of Cwenar and Sands. Pollock discloses methods for lending based on an asset and securitization of loan interests. The Office relies on Pollock solely for its disclosure of receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender. Pollock does not disclose or suggest the step of displaying a rule description box that defines how the transaction limit was calculated. For at least this reason, claims 6, 7, 23, and 24 are patentable over Cwenar, Sands, and Pollock, either individually or in combination.

As pointed out above, Cwenar provides for displaying compliance rule details via and audit trail and the rules effect on a transaction.

35 U.S.C. §103 rejection, using Kogan and Reich starting page 13 of remarks:

In the Office Action, claims 28 and 31 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,820,069 to Kogan in view of U.S. Patent Publication No. 2002/0059107 to Reich.

Claim 28:

Independent claim 28 recites a system for facilitating trade entry and portfolio management. The system includes a user interface interacting with a control

program, a data storage device, and a processor. The user interface includes a financial security section displaying the name of a security as well as data associated with the security; a portfolios section displaying data retrieved from the data storage device, the data including a selectable list of investment portfolios and a buying power limit for the security associated with each of the investment portfolios; a buying power module displaying a list of compliance rules retrieved from the data storage device and a transaction limit calculated by the processor, the transaction limit being associated with each compliance rule; and a rule description section of the user interface displaying how the transaction limit was calculated. The compliance rules and associated transaction limits are listed from lowest transaction limit to highest transaction limit in the buying power module and are applicable to a currently selected investment portfolio in the portfolios section.

Applicant argues Kogan:

Kogan discloses a memory server that executes queries to determine compliance with rules by using a rule definition language. See col. 2, lines 46-66. The memory server may be used in determining compliance for securities trading. The Kogan reference describes, in great detail, the implementation of the rule definition language on the memory server. However, Kogan describes only a general-purpose computer system and user interface. See cols. 14 and 15; Kogan fails to disclose or suggest a user interface with features that include a financial security section, a portfolios section, a buying power module, and a rule description section, as recited in independent claim 28. For example, Kogan does not disclose or suggest a rule description section displaying how a transaction limit was calculated.

Claim 28 is a system claim, which describes or should describe hardware components. A user interface is an example of a hardware component (e.g. display monitor or keyboard). Claim 28 has both system components, but also provides detail to some of those components. A financial security section of a user interface is not a hardware component and in this case is non-functional descriptive material (see MPEP 2106.01). Specifically "...mere arrangements or compilations of facts or data, without functional interrelationship is not a process, machine, manufacture, or composition of matter." (MPEP 2106.01 II).

The point of this is that a financial security section or a rule description section shown on a display is not given patentable weight (e.g. patents aren't granted for arrangements or layout of data).

The Examiner provides a new rejection based on displaying rules.

Reich fails to overcome the deficiencies of Kogan noted above. Reich discloses a system for automating transaction compliance checks via a computer

communications system. In particular, the compliance system includes a rules processing engine that has access to predefined sets of compliance rules, profile information used to determine which compliance rules apply to a given request, and other information, such as trading history. See page 1, paragraph [0008]. A list server is connected to list storage areas and to the rules engine and is configured to process the information in the restriction lists and indicate, in response to a query from the rules engine, which restrictions are relevant to a given request. See page 1, paragraph [0009]. The system described in Reich may be connected to or integrated with an electronic trading system. The system can be implemented using conventional electronic circuitry or in computer hardware, firmware, software, or in a combination of these technologies. See page 6, paragraph [0061]. Although Reich describes in general terms the back-end functions of an automated compliance checker, Reich fails to disclose or suggest a user interface having the specific features recited in independent claim 28. Thus, Kogan and Reich, either individually or in combination, fail to render claim 28 obvious.

Claim 31 depends from independent claim 28 and is patentable over Kogan and Reich for at least the reasons given above regarding claim 28.

The Examiner provides a new rejection to claim 28.
In the Office Action, claims 29 and 30 were rejected under 35 U.S.C. § 103(a) as being unpatentable Kogan in view of Reich and further in view of U.S. Patent Application No. 2002/0198812 to Wizon. Claims 29 and 30 have been canceled; the rejection is now moot.

Noted. The rejection is withdrawn.

However, Applicant notes that Wizon fails to overcome the deficiencies of Kogan and Reich with regard to claims 28 and 31. Wizon discloses a system for pricing fixed income securities and discloses entering a character string in a data field of a graphical user interface. Wizon does not disclose or suggest a rule description section of a user interface that displays how a transaction limit has been calculated. Consequently, claims 28 and 31 are patentable over Kogan, Reich, and Wizon, either individually or in combination.

The Examiner provides a new rejection to claim 28.

Examiner Request

4.   The Applicant is requested to indicate where in the specification there is support

for amendments to claims should Applicant amend. The purpose of this is to reduce

potential 35 U.S.C. §112, 1st paragraph issues that can arise when claims are amended

without support in the specification. The Examiner thanks the Applicant in advance.

Claim Rejections - 35 USC § 101

5.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine,
> manufacture, or composition of matter, or any new and useful
> improvement thereof, may obtain a patent therefor, subject to the
> conditions and requirements of this title.

Claims 1, 6-7, and 22-24 are rejected under 35 U.S.C. 101 because the claimed
invention is directed to non-statutory subject matter.

According to the recent Guidelines issued by the Deputy Commissioner, in order for a
method claim to qualify as a patent eligible process under 35 USC § 101, the process of
the method claim must (1) be tied to another statutory class (such as a particular
apparatus) or (2) transform underlying subject matter (such an article or materials) to a
different state or thing.

In the instant case, none (claim 1) or only a few (claim 22) of the process steps of the
method claims are tied to an apparatus such as a computer. Accordingly, the claimed
invention fails to qualify as a statutory process under the Guidelines.

The applicant is requested to indicate where in the specification there is support for the
amended claim.

 Note: merely reciting a computer in the preamble does not meet the aforementioned
requirement nor reciting a nominal process such as communicating data with a
computer.

Claims 6-7 and 23-24 are rejected because they depend from their respective
independent claim.

Claim Rejections - 35 USC § 112

6.   The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

7.   Claim 31 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

8.   Claim 31 recites a "transaction execution module" where none can be found in the specification. The Examiner notes "...the buying power module enables a portfolio manager to determine a dollar limit or quantity for a proposed transaction..." in ¶ [0024], but was unable to find a "transaction execution module." If there are steps in the specification that describe the functionality of the module (steps that show how the transaction execution module performs its function), the Examiner will reconsider.

9.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

10.   Claims 15, 18, and 25 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

11.　　Claims 15, 18 and 25-27 are rejected for using "means plus function" language,

attempting to invoke 35 USC 112, 6th paragraph, where no structure is provided in the

specification to support such usage. The specification does not explicitly limit the

implementation of the "means for" structure using a specific (non-general) computer

with a specific algorithm for the stated functionality. For example, claim 25, step g has

means for displaying the sorted applicable compliance rules, where any general

computer display would work.

Claim 18 is rejected because it depends from claim 15.

Claim Rejections - 35 USC § 103

12.　　The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed
> or described as set forth in section 102 of this title, if the differences between the
> subject matter sought to be patented and the prior art are such that the subject
> matter as a whole would have been obvious at the time the invention was made
> to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was
> made.

13.　　The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148

USPQ 459 (1966), that are applied for establishing a background for determining

obviousness under 35 U.S.C. 103(a) are summarized as follows:

> 1.　　Determining the scope and contents of the prior art.
> 2.　　Ascertaining the differences between the prior art and the claims at issue.
> 3.　　Resolving the level of ordinary skill in the pertinent art.
> 4.　　Considering objective evidence present in the application indicating
> obviousness or nonobviousness.

14. Claims 1, 15, 18, 22, 25, and 32 are rejected under 35 U.S.C. 103(a) as being

unpatentable over U.S. Patent No. 5,893,079 to Cwenar in view of U.S. Pub. No.

2002/0082979 to Sands et al. and Official Notice.

**[Note that the analysis for the method claim (22) also applies to the respective
system claim (25).]**

Regarding claim 1:
A computer implemented method of determining the buying power of an investment
portfolio for a given security, the method comprising the steps of:

a) providing a set of compliance rules, each of the compliance rules defining a limit on
the amount of shares of the security that can be added to the investment portfolio based
on predetermined criteria;
> **Cwenar provides:**
> **Compliance rules for investment portfolios…**
> **"The system further provides, in preferred forms, the use of relational
> databases and central data repository, the use of dynamically linked library
> architecture with firewalls, <u>rules-based compliance systems</u> and great
> flexibility in respect of storage and communication of investment
> information." (col. 14, lines 10-15)**
>
> **"It is another object of the present invention to provide such a system
> which permits real-time, rule-based compliance review in order to
> determine that a <u>proposed transaction</u> will not violate predetermined
> rules." (col. 2, lines 66-67 and col. 3, lines 1-2)**

b) calculating a transaction limit for a proposed transaction involving the security for
each compliance rule in the set of compliance rules;
> **"It is another object of the present invention to provide such a system
> which permits real-time, rule-based compliance review <u>in order to
> determine that a proposed transaction will not violate predetermined
> rules</u>." (col. 5, lines 22-26). For a transaction not to violate predetermined
> rules requires calculation of a transaction limit.**
>
> **"In the event a proposed transaction or prospectus violates such rules, the
> system would, in the preferred embodiment, issue a message or take
> <u>action to terminate the transaction</u>. By way of specific example, a mutual
> fund might be prohibited from purchasing a certain category of stocks or
> from owning <u>more than a certain percentage</u> of a certain category of
> investment." (col. 11, line 67 and col. 12, lines 1-6)**

c) sorting the set of compliance rules from most restrictive to least restrictive based on the calculated transaction limit for each compliance rule, wherein the most restrictive compliance rule has the lowest transaction limit and the least restrictive compliance rule has the highest transaction limit;

>**Cwenar teaches:**
>
>**"The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept." (col. 2, lines 41-46)**
>
>**While Cwenar discloses prioritizing compliance rules, he does not disclose sorting the rules from least to most restrictive based on transaction limits. However, the Examiner takes Official Notice that sorting information based on relevancy is old and well known. Therefore, it would have been obvious to one skilled in the art at the time of invention to include the ability to sort compliance rules from most to the least restrictive and that doing this would permit quick assessment of the most critical rules that are gating a transaction.**
>
>**It would be inherent that the most restrictive rule would have the lowest transaction limit and the least restrictive rule would have the highest transaction limit.**

d) displaying the sorted set of compliance rules and the calculated transaction limit for each rule; and

>**"It will be appreciated, therefore, that the present invention provides an improved system for receiving, processing, storing, creating, _displaying_ and acting upon a wide variety of investment data, including the data employed in _managing mutual funds and effecting trades_." (col. 13, lines 62-66)**
>
>**"A request for data or information originating within the external user interface results in the server means processing the request as by finding the data in the main or central database and returning the information to the external user interface for processing, such as display, performing calculations and performing _spreadsheet-like, what-if calculations_." (col. 4, lines 7-13)**
>
>**(see Display below)**

e) displaying a rule description box defining how the transaction limit was calculated; and

"It is another object of the present invention to provide such a system
which permits real-time, rule-based compliance review in order to
determine that a <u>proposed transaction will not violate predetermined
rules.</u>" (col. 2, lines 66-67 and col. 3, lines 1-2)

"By way of specific example, a mutual fund might be prohibited from
purchasing a certain category of stocks or from <u>owning more than a certain
percentage of a certain category of investment</u>. These legal requirements
may be considered a first group of rules." (col. 12, lines 3-7)

"If a <u>violation of the legal rules is found</u> to exist, the next
action is to <u>prepare an audit trail report</u> or record of the event 163 and to
stop the trade 164 and communicate such stopping to the user who
attempted the transaction or, if batch processing is employed during off
hours, appropriate reports would be prepared for subsequent delivery."
(col. 12, lines 28-34)

Therefore an audit trail would describe in detail how a transaction limit for
a compliance rule was calculated.

f) determining the buying power of the investment portfolio based on the most restrictive
of the calculated compliance rules.

"The system also provides compliance means which serves to on a real-
time basis <u>compare a proposed trade</u> with a group of rules which can be
prioritized with respect to legal or business standards and <u>provide
instructions regarding stopping, delaying or proceeding with the proposed
trade</u> with appropriate records being kept." (col. 2, lines 41-46) Therefore,
prioritized rules are available, and a proposed trade is compared against
them. It would be inherent that a trade would be gated by the most
restrictive rule.

<u>Display</u>
Cwenar teaches compliance system based on rules for fixed instruments
and a display with what-if scnearios.
Cwenar fails to explicitly teach displaying compliance rules and transaction
limits.
However, Sands et al. teaches displaying rules and limits.

<u>Sands et al. teaches:</u>
"FIG. 7 is a printscreen that displays a detail window activated when
the trader double-clicks a fund in the Quick Look window to see
<u>details of the rules</u> applied and <u>each of their limits</u>. There are two
columns for each rule. The first column considers only trades that
have been authorized by a trader, while the <u>second column displays
values when preliminary trades are also considered. Notice that</u>

there are two rules that display that the fund is already over a limit. This is due to the fact that the funds shown here do not use this provision of the rule." ¶ [0313]

This known technique of displaying compliance rules and limits is applicable to Cwenar as they both share the chacracteristics and capabilities, namely, they are directed to evaluating transactions using compliance rules.

One of ordinary skill in the art at the time of invention would have recognized that applying the known technique of displaying taught by Sands et al. would have yielded predictable results and resulted in an improved system. It would have been recognized that applying the technique of Sands et al. to the teachings of Cwenar would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate displaying features into similar systems. Further, applying display to Cwenar with compliance rules would have been recognized by those of ordinary skill in the art as resulting in an improved system that would have allowed for access to rules being applied by the system.

The Examiner gives no patentable weight to particular arrangements of data on a display that are non-functional descriptive material. For example, a rule description box. (see MPEP 2106.01 II)

Regarding claim 15:
A system for determining the transaction limit of an investment portfolio for a given security comprising:

a) means for storing a set of compliance rules for an investment portfolio, each of the compliance rules defining a limit on the amount of shares of the security that can be added to the investment portfolio based on predetermined criteria;
> **Cwenar provides:**
> **Compliance rules for investment portfolios...**
> **"The system further provides, in preferred forms, the use of <u>relational databases and central data repository</u>, the use of dynamically linked library architecture with firewalls, <u>rules-based compliance systems</u> and great flexibility in respect of storage and communication of investment information." (col. 14, lines 10-15)**
>
> **"It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a <u>proposed transaction</u> will not violate predetermined rules." (col. 2, lines 66-67 and col. 3, lines 1-2)**

b) means for receiving a request to analyze a proposed transaction involving the security; and

> **"This invention relates to a <u>system for receiving</u>, processing, creating and <u>storing for selective retrieval investment information</u> and, more specifically, it provides a system wherein external data interface means <u>receives and processes investment information</u> from nonuser outside sources which is delivered to a server which receives, processes, creates investment information and starts the same in a central database, and also provides access to the server through the external user interface means." (col. 1, lines 11-20)**

c) means for calculating a transaction limit for the proposed transaction for each of the compliance rules in the set of compliance rules;

> **"It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a proposed transaction will not violate predetermined rules." (col. 5, lines 22-26). For a transaction not to violate predetermined rules requires calculation of a transaction limit.**

> **"In the event a proposed transaction or prospectus violates such rules, the system would, in the preferred embodiment, issue a message or take <u>action to terminate the transaction</u>. By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning <u>more than a certain percentage</u> of a certain category of investment." (col. 11, line 67 and col. 12, lines 1-6)**

d) means for sorting the compliance rules from most restrictive to least restrictive based upon the transaction limit calculated for each compliance rule;

> **<u>Cwenar teaches:</u>**
> **"The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept." (col. 2, lines 41-46)**

> **While Cwenar discloses prioritizing compliance rules, he does not disclose sorting the rules from least to most restrictive based on transaction limits. However, the Examiner takes Official Notice that sorting information based on relevancy is old and well known. Therefore, it would have been obvious to one skilled in the art at the time of invention to include the ability to sort compliance rules from most to the least restrictive and that doing this would permit quick assessment of the most critical rules that are gating a transaction.**

It would be inherent that the most restrictive rule would have the lowest transaction limit and the least restrictive rule would have the highest transaction limit.

e) means for displaying the sorted compliance rules along with the transaction limit associated with each compliance rule; and

"It will be appreciated, therefore, that the present invention provides an improved system for receiving, processing, storing, creating, <u>displaying</u> and acting upon a wide variety of investment data, including the data employed in <u>managing mutual funds and effecting trades</u>." (col. 13, lines 62-66)

"A request for data or information originating within the external user interface results in the server means processing the request as by finding the data in the main or central database and returning the information to the external user interface for processing, such as display, performing calculations and performing <u>spreadsheet-like, what-if calculations</u>." (col. 4, lines 7-13)

(see Display below)

f) means for displaying a rule description defining how the transaction limit was calculated.

"It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a <u>proposed transaction will not violate predetermined rules.</u>" (col. 2, lines 66-67 and col. 3, lines 1-2)

"By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from <u>owning more than a certain percentage of a certain category of investment</u>. These legal requirements may be considered a first group of rules." (col. 12, lines 3-7)

"If a <u>violation of the legal rules is found</u> to exist, the next action is to <u>prepare an audit trail report </u>or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery." (col. 12, lines 28-34)

Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

Display
**Cwenar teaches compliance system based on rules for fixed instruments
and a display with what-if scnearios.**
**Cwenar fails to explicitly teach displaying compliance rules and transaction
limits.**
However, Sands et al. teaches displaying rules and limits.
> **Sands et al. teaches:**
> **"FIG. 7 is a printscreen that displays a detail window activated when
> the trader double-clicks a fund in the Quick Look window to see
> details of the rules applied and each of their limits. There are two
> columns for each rule. The first column considers only trades that
> have been authorized by a trader, while the second column displays
> values when preliminary trades are also considered. Notice that
> there are two rules that display that the fund is already over a limit.
> This is due to the fact that the funds shown here do not use this
> provision of the rule." ¶ [0313]**

**This known technique of displaying compliance rules and limits is
applicable to Cwenar as they both share the chacracteristics and
capabilities, namely, they are directed to evaluating transactions using
compliance rules.**

**One of ordinary skill in the art at the time of invention would have
recognized that applying the known technique of displaying taught by
Sands et al. would have yielded predictable results and resulted in an
improved system. It would have been recognized that applying the
technique of Sands et al. to the teachings of Cwenar would have yielded
predictable results because the level of ordinary skill in the art
demonstrated by the references applied shows the ability to incorporate
displaying features into similar systems. Further, applying display to
Cwenar with compliance rules would have been recognized by those of
ordinary skill in the art as resulting in an improved system that would have
allowed for access to rules being applied by the system.**

**The Examiner gives no patentable weight to particular arrangements of
data on a display that are non-functional descriptive material. For example,
a rule description box. (see MPEP 2106.01 II)**

Regarding claim 18:
A system as recited in claim 15, further comprising means for determining the buying
power of the portfolio based upon the transaction limit associated with the most
restrictive compliance rule.
> **Cwenar provides:**

> **"The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept." (col. 2, lines 41-46) Therefore, prioritized rules are available, and a proposed trade is compared against them. It would be inherent that a trade would be gated by the most restrictive rule.**

Regarding claims 22 and 25:
(claim 22) A method of determining the buying power of an investment portfolio comprising the steps of:

a) receiving a request to analyze a proposed transaction involving a security from a portfolio manager for a selected portfolio stored in a portfolio database;

> **Cwenar provides:**
> **"This invention relates to a <u>system for receiving</u>, processing, creating and <u>storing for selective retrieval investment information</u> and, more specifically, it provides a system wherein external data interface means <u>receives and processes investment information</u> from nonuser outside sources which is delivered to a server which receives, processes, creates investment information and starts the same in a central database, and also provides access to the server through the external user interface means." (col. 1, lines 11-20)**

> **"It is another object of the present invention to provide such a system which will permit the rapid and accurate computerized <u>processing of large volumes of investment data</u>, such as that involved in <u>mutual fund transactions and portfolio management</u>, for example." (col. 3, lines 23-27)**

b) retrieving the selected portfolio from the portfolio database;

> **Ability to access portfolio information (in this case a mutual fund)...**
> **"If a user 22, 24, 26, 28 acting through the external user interface 2 desires to access within server means 4, information such as what companies are held by mutual fund XYZ, information from column A of the relational database would be provided." (col. 9, lines 30-34)**

c) accessing a set of compliance rules related to the selected portfolio from a rules database;

> **"The compliance check may be performed on both the external user interface and the server employing rules stored in the main database." (col. 2, lines 46-48)**

d) determining whether each compliance rule in the set of compliance rules related to the selected portfolio applies to the proposed transaction;

> **"The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept." (col. 2, lines 41-46)**

e) calculating a transaction limit for the proposed transaction for each applicable compliance rule in the set of compliance rules;

> **"It is another object of the present invention to provide such a system which permits real-time, rule-based compliance review in order to determine that a <u>proposed transaction</u> will not violate predetermined rules." (col. 2, lines 66-67 and col. 3, lines 1-2)**

> **"In the event a proposed transaction or prospectus violates such rules, the system would, in the preferred embodiment, issue a message or take <u>action to terminate the transaction</u>. By way of specific example, a mutual fund might be prohibited from purchasing a certain category of stocks or from owning <u>more than a certain percentage</u> of a certain category of investment." (col. 11, line 67 and col. 12, lines 1-6)**

f) sorting each applicable compliance rule from most restrictive to least restrictive

> **"The system also provides compliance means which serves to on a real-time basis compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards and provide instructions regarding stopping, delaying or proceeding with the proposed trade with appropriate records being kept." (col. 2, lines 41-46)**

> **While Cwenar discloses prioritizing compliance rules, he does not disclose sorting the rules from least to most restrictive based on transaction limits. However, the Examiner takes Official Notice that sorting information based on relevancy is old and well known. Therefore, it would have been obvious to one skilled in the art at the time of invention to include the ability to sort compliance rules from most to the least restrictive and that doing this would permit quick assessment of the most relevant rules that are gating a transaction.**

g) displaying the sorted applicable compliance rules and the calculated transaction limit for each rule;

> **"It will be appreciated, therefore, that the present invention provides an improved system for receiving, processing, storing, creating, <u>displaying</u>**

> **and acting upon a wide variety of investment data, including the data
> employed in <u>managing mutual funds and effecting trades</u>."** (col. 13, lines
> **62-66)**

> **"A request for data or information originating within the external user
> interface results in the server means processing the request as by finding
> the data in the main or central database and returning the information to
> the external user interface for processing, such as display, performing
> calculations and performing <u>spreadsheet-like, what-if calculations</u>."** (col. 4,
> **lines 7-13)**

> **(Display below)**

h) specifying the buying power of the selected portfolio for the proposed transaction,
wherein the buying power is equal to the transaction limit for the most restrictive of the
applicable compliance rules; and

> **<u>Cwenar provides:</u>**
> **"The system also provides compliance means which serves to on a real-
> time basis compare a proposed trade with a group of rules which can be
> prioritized with respect to legal or business standards and provide
> instructions regarding stopping, delaying or proceeding with the proposed
> trade with appropriate records being kept."** (col. 2, lines 41-46) **Therefore,
> prioritized rules are available, and a proposed trade is compared against
> them. It would be inherent that a trade would be gated by the most
> restrictive rule.**

i) displaying the name of the selected portfolio and its associated buying power for the
proposed transaction involving the security; and

> **"It will be appreciated, therefore, that the present invention provides an
> improved system for receiving, processing, storing, creating, <u>displaying</u>
> and acting upon a wide variety of investment data, including the data
> employed in <u>managing mutual funds and effecting trades</u>."** (col. 13, lines
> **62-66) It would be inherent in displaying mutual fund information to
> display the name of the fund, for example.**

j) displaying a rule description defining how the transaction limit was calculated.

> **"It is another object of the present invention to provide such a system
> which permits real-time, rule-based compliance review in order to
> determine that a <u>proposed transaction will not violate predetermined
> rules.</u>"** (col. 2, lines 66-67 and col. 3, lines 1-2)

> **"By way of specific example, a mutual fund might be prohibited from
> purchasing a certain category of stocks or from <u>owning more than a certain</u>**

<u>percentage of a certain category of investment</u>. These legal requirements may be considered a first group of rules." (col. 12, lines 3-7)

"If a <u>violation of the legal rules is found</u> to exist, the next action is to <u>prepare an audit trail report</u> or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery." (col. 12, lines 28-34)

Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

<u>Display</u>
Cwenar teaches compliance system based on rules for fixed instruments and a display with what-if scnearios.
Cwenar fails to explicitly teach displaying compliance rules and transaction limits.
However, Sands et al. teaches displaying rules and limits.

> <u>Sands et al. teaches:</u>
> "FIG. 7 is a printscreen that displays a detail window activated when the trader double-clicks a fund in the Quick Look window to see <u>details of the rules</u> applied and <u>each of their limits</u>. There are two columns for each rule. The first column considers only trades that have been authorized by a trader, while the <u>second column displays values when preliminary trades are also considered. Notice that there are two rules that display that the fund is already over a limit</u>. This is due to the fact that the funds shown here do not use this provision of the rule." ¶ [0313]

This known technique of displaying compliance rules and limits is applicable to Cwenar as they both share the chacracteristics and capabilities, namely, they are directed to evaluating transactions using compliance rules.

One of ordinary skill in the art at the time of invention would have recognized that applying the known technique of displaying taught by Sands et al. would have yielded predictable results and resulted in an improved system. It would have been recognized that applying the technique of Sands et al. to the teachings of Cwenar would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate displaying features into similar systems. Further, applying display to Cwenar with compliance rules would have been recognized by those of

ordinary skill in the art as resulting in an improved system that would have allowed for access to rules being applied by the system.

The Examiner gives no patentable weight to particular arrangements of data on a display that are non-functional descriptive material. For example, a rule description box. (see MPEP 2106.01 II)

Regarding claim 32:
The method of claim 1, wherein the predetermined criteria include at least one of duration guidelines, asset allocation guidelines, credit ratings, and restricted security lists.

> **Cwenar teaches:**
> **"With respect to business preference items, for example, there may be certain preferences regarding ratings, diversification, maturity dates or yields, or time limits on certain rules that would be introduced into the preference rules." (col. 12, lines 11-16)**

15.   Claims 6-7 and 23-24 are rejected under 35 U.S.C. 103(a) as being unpatentable

over the combined references in section (14) above in further view of Pub. No. US

2004/0220872 to Pollock, III.

Regarding claim 6:
The method according to claim 1, further comprising testing each compliance rule against the proposed transaction using a nominal transaction value.

> **While Cwenar teaches applying compliance rules to a proposed transaction, he does not teach using a nominal transaction value.**
>
> **Pollock, III also in the business of compliance rules teaches:**
>
> > **"... the invention features a method that includes receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender of the loan."**
>
> **Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to add a test for nominal value, motivated by Pollock, III, and that doing this would be an added proposed transaction that would easy to carry out by Cwenar's system.**

Regarding claim 7:
A method according to claim 6, further comprising the step of determining that the buying power of the portfolio for the proposed transaction is zero if the nominal transaction value for the proposed transaction violates a compliance rule.

It is inherent in compliance rule testing that if the test fails, a proposed transaction would not occur, and therefore the value of the proposed transaction would be zero.

Regarding claim 23:
A method according to claim 22, wherein the step of determining whether each compliance rule in the set of compliance rules applies to the proposed transaction includes testing each compliance rule against the proposed transaction using a nominal transaction value.

While Cwenar teaches applying compliance rules to a proposed transaction, he does not teach using a nominal transaction value.

Pollock, III also in the business of compliance rules teaches:

> **"… the invention features a method that includes receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender of the loan."**

Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to add a test for nominal value, motivated by Pollock, III, and that doing this would be an added proposed transaction that would easy to carry out by Cwenar's system.

Regarding claim 24:
A method according to claim 23, further comprising the step of determining that the buying power of the selected portfolio for the proposed transaction is zero if the nominal transaction value violates a compliance rule related to the selected portfolio.
It is inherent that if a proposed transaction fails a compliance rule, a transaction will not occur.

16.   Claims 28 and 31 are rejected under 35 U.S.C. 103(a) as being unpatentable

over U.S. Patent No. 6,820,069 to Kogan et al. in view of U.S. Pub. No. 2002/0059107

to Reich et al. and in further view of U.S. Patent No. 5,893,079 to Cwenar.

Regarding claim 28:
A system for facilitating trade entry and portfolio management, the system comprising:

a) a user interface interacting with a control program, a data storage device, and a processor;
Kogan et al. teaches:

> **"The compliance server 140 includes, at a minimum, system <u>memory</u>, <u>processor</u>, network interface capabilities, and <u>input/output access</u> to a persistent datastore." (col. 4, lines 9-12) Inherent with the input/output access would be a user interface.**

> **"The computer system 1000 further includes a mass storage device 1022, peripheral device(s) 1030, portable storage medium drive(s) 1040, input <u>control device</u>(s) 1070, a graphics subsystem 1050, and an output display 1060." (col. 14, lines 46-49)**

b) a financial security section of the user interface displaying the name of a security as well as data associated with the security;

> <u>**Kogan et al. teaches:**</u>
> **"For example, in a pre-trading application for financial securities, the <u>local query data consists of parameters of the trade</u> (e.g., <u>security identification</u>, price, <u>quantity of shares</u>, etc.)" (col. 4, lines 23-26) Therefore, security data is accessible via a user interface.**

c) a portfolios section of the user interface displaying data retrieved from the data storage device, the data including a selectable list of investment portfolios and a buying power limit for the security associated with each of the investment portfolios; and

> <u>**Kogan et al. teaches:**</u>
> **"For example, institutional investors have regulatory obligations with regard to trading. Furthermore, money managers, such as <u>managers of mutual funds</u>, also have guidelines for securities transactions. A <u>portfolio manager for a large institutional investor</u> may impose specific guidelines or rules regarding the diversification of the portfolio. For example, the <u>institutional investors may wish to limit</u> the <u>amount of securities held</u> for a particular industry, define a minimum trading amount, list securities that are not to be purchased for that institutional investor, etc. In addition, a portfolio owner may impose on a broker a <u>number of limitations regarding the type and quantity of securities for trading</u>." (col. 1, lines 28-40) Inherent in managing mutual funds would be access to the different fund portfolios.**

> **"Typically, the data is stored in tables in a persistent datastore (e.g., a hard disk drive)." (col. 1, lines 59-60) Tables would provide information in list form.**

d) a buying power module of the user interface displaying a list of compliance rules retrieved from the data storage device and a transaction limit calculated by the processor, the transaction limit being associated with each compliance rule, wherein the compliance rules and associated transaction limits are listed from lowest transaction limit to highest transaction limit and are applicable to a currently selected investment portfolio in the portfolios section of the user interface; and

<u>Kogan et al. teaches transaction limits:</u>

"A portfolio manager for a large institutional investor may impose specific guidelines or rules regarding the diversification of the portfolio. For example, the institutional investors may wish to limit the amount of securities held for a particular industry, define a minimum trading amount, list securities that are not to be purchased for that institutional investor, etc. In addition, a <u>portfolio owner may impose on a broker a number of limitations regarding the type and quantity of securities for trading</u>." (col. 1, lines 31-40)

(Also, see Limits below)

e) a rule description section of the user interface displaying how the transaction limit was calculated.
(see Rule description below)

<u>Limits</u>
Kogan et al. teaches accessible compliance rules and transaction limits. Kogan et al. fails to teach a list of compliance rules from lowest transaction limit to highest transaction limit.

However, Reich et al. teaches the known technique of lowest and highest transaction limits.
<u>Reich et al. teaches list of compliance rules:</u>

> **"A list server is connected to the list storage areas and the rules engine and is configured to <u>process the information in the restriction lists</u> and indicate, in response to a query from the rules engine, which restrictions are relevant to a given request." ¶ [0009]**

> **"Various features can be implemented in the system to enhance functionality and increase performance. In one implementation, compliance rules are assigned a specified priority which is used to determine the order in which the rules are evaluated." ¶ [0012]**

> **"When multiple restrictions are in place for a given instrument, the list serer 34 can limit the number of restrictions to be considered by <u>returning only restrictions having a minimum severity level or only the most severe restriction</u>. In a specific embodiment, <u>when more than one restriction on a given instrument is present in the same control list, the list server 34 will return only the restriction having the highest severity level from that list</u>. Because which list a restriction appears in can effect whether a given party is in compliance, in this embodiment, if a restriction is present in more**

than one list, the <u>most severe restriction from each list is returned</u>."
¶ [0039] Inherent in determining, for example, which has the highest
severity level in a list would be sorting the list by severity.

This known technique is applicable to Kogan et al. as they both share
characteristics and capabilities, namely, they are directed to compliance rules.

One of ordinary skill in the art at the time of invention would have recognized
that applying the known technique of Reich et al. would have yielded the
predictable results and resulted in an improved system. It would have been
recognized that applying the technique of Reich et al. to the teachings of
Kogan et al. would have yielded predictable results because the level of
ordinary skill in the art demonstrated by the references applied shows the
ability to incorporate such sorting features into similar systems. Further,
applying sorting from lowest to highest to Kogan et al. would have been
recognized by thosse of ordinary skill in the art as resulting in an improved
system that would allow detail analysis of the gating effects of compliance
rules on the transaction limits.

Rule description

Kogan et al. teaches accessible compliance rules, transaction limits, and
reports detailing compliance results. For example:

> "The <u>compliance report</u> 170 identifies whether the local query data
> 120 is in conformance to the rules 150. For example, the <u>compliance
> report 170 may identify each rule</u> and identify whether the submitted
> query conforms to that rule." (col. 4, lines 33-37)

> "The client application or interface agent then formulates a query. In
> response to the query, the RDL compliance server 530 <u>generates a
> compliance report to detail the compliance results.</u>" (col. 7, lines 39-
> 42)

Kogan et al. fails to specify displaying details of how a transaction limit
was calculated.

Cwenar discloses a compliance rules system that teaches the known
technique of audit trails:

> "It is another object of the present invention to provide such a
> system which permits real-time, rule-based compliance review in
> order to determine that a <u>proposed transaction will not violate
> predetermined rules.</u>" (col. 2, lines 66-67 and col. 3, lines 1-2)

> "By way of specific example, a mutual fund might be prohibited from
> purchasing a certain category of stocks or from <u>owning more than a
> certain percentage of a certain category of investment</u>. These legal

> requirements may be considered a first group of rules." (col. 12, lines 3-7)

> "If a <u>violation of the legal rules is found</u> to exist, the next action is to <u>prepare an audit trail report</u> or record of the event 163 and to stop the trade 164 and communicate such stopping to the user who attempted the transaction or, if batch processing is employed during off hours, appropriate reports would be prepared for subsequent delivery." (col. 12, lines 28-34)

> Therefore an audit trail would describe in detail how a transaction limit for a compliance rule was calculated.

This known technique of Cwenar is applicable to the Kogan et al. as they both share the characteristics and capabilities, namely they are directed to compliance rules for transactions. One of ordinary skill in the art at the time of invention would have recognized that applying the audit capability of Cwenar would have yielded predictable results and resulted in an improved system. Providing an audit trail which gives details of rule description for a transaction would have been recognized by those of ordinary skill in the art as resulting in an improved system by showing the effect of rule algorithms on transactions, and would enhance the compliance report detail provided by Kogan et al.

The Examiner gives no patentable weight to particular arrangements of data on a display that are non-functional descriptive material. For example, a rule description box. (see MPEP 2106.01 II)

<u>Regarding claim 31:</u>
The system of claim 28, further comprising a transaction execution module allowing a user to execute a proposed transaction involving the security for the currently selected investment portfolio.

> **Kogan et al. teaches**
> "For example, in the pre-trading application, the output of the compliance server may be an application that initiates the trade. For this example, if the query is compliant, the process continues <u>(i.e., the trade is allowed to proceed)</u>." (col. 5, line 67 and col. 6, lines 1-2)

Conclusion

17.   The prior art made of record and not relied upon is considered pertinent to

applicant's disclosure.

Friedman, Jack, "Dictionary of Business Terms, 2000, Barron's Educational Series, Third Ed., pg. 42.

U.S. Pub. No.   2003/0229581   Green et al.

U.S. Patent No.   7,412,417   Tuttle

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to KENNETH L. BARTLEY whose telephone number is

(571)272-5230. The examiner can normally be reached on Monday through Friday,

8:00 - 5:00 EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Jagdish Patel can be reached on (571) 272-6748. The fax phone number

for the organization where this application or proceeding is assigned is 571-273-8300.

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you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/JAGDISH N PATEL/
Primary Examiner, Art Unit 3693